



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
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BOARD OF SUPERVISORS

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January 20, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**ESTABLISH CAPITAL PROJECT, APPROVE APPROPRIATION ADJUSTMENT, AND
AUTHORIZE PURCHASE OF AUTOMATED PRESCRIPTION SYSTEM FOR HUBERT H.
HUMPHREY COMPREHENSIVE HEALTH CENTER PHARMACY UPGRADE PROJECT
(C.P. No. 86627)
(2nd District) (3 Votes)**

**JOINT RECOMMENDATIONS WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR
BOARD:**

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State Guidelines section 15301(a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987.
2. Establish Capital Project No. 86627 for the Hubert H. Humphrey Comprehensive Health Center Pharmacy Upgrade Project to renovate the pharmacy space to include the installation of an automated prescription system.
3. Approve the Department of Health Services' equipment request, not to exceed a cost of \$320,000, to be financed through Los Angeles County Capital Asset Leasing (LAC-CAL), and authorize the County Purchasing Agent to proceed with the acquisition and installation of the equipment including a four-year extended service equipment agreement.
4. Approve the attached appropriation adjustment in the amount of \$110,000 funded by the Department of Health Services' Fiscal Year 2004-05 Salaries and Employee Benefits surplus.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving the recommended actions, the Board is establishing a new capital project for the Hubert H. Humphrey Comprehensive Health Center (Humphrey CHC) Pharmacy Upgrade Project and authorizing the County Purchasing Agent to issue a purchase order for an automated prescription system.

This project is needed to improve the medication dispensing process which will reduce patient waiting time to fill prescriptions. Currently, the pharmacy fills nearly 9,000 prescriptions each week in a space designed to handle a much smaller volume. The heavy workload is further exacerbated by a crowded and an inefficient internal physical layout that results in congested workflow causing prolonged prescription fill times. There is also a major patient queuing problem outside the pharmacy due to a single intake window and lack of workspace adjacent to the window.

The proposed project consists of reconfiguring approximately 1,600 square feet which will be accomplished through the Internal Services Department's Job Order Contract (JOC) Program. The project will increase operational efficiency by constructing six transaction windows to replace three existing windows. The windows are used for prescription intake, dispensing, and medication counseling. The pharmacy will also be reconfigured to accommodate an automated prescription system, to provide an adequate medication storage area, and upgrade the staff restroom to meet Americans with Disability Act requirements.

FISCAL IMPACT/FINANCING:

The total estimated cost for the renovation of the pharmacy space for the Humphrey CHC Pharmacy Upgrade Project is \$426,000, of which \$316,000 is currently budgeted under Capital Project No. 86627 for the Pharmacy Upgrade. The attached appropriation adjustment will transfer an additional \$110,000 which will be funded using Fiscal Year (FY) 2004-05 Salaries and Employee Benefits (S&EB) surplus. The S&EB surplus is due to hiring delays.

The estimated cost of the automated prescription system is between \$290,000 and \$320,000. The equipment will be purchased using the facility's existing LAC-CAL equipment purchase authorization approved in the FY 2004-05 Adopted Budget. The annual payments are estimated at \$78,000 over a five-year period. The equipment comes with a one-year manufacturer service agreement. An extended service agreement for four years beyond the first year from the date the equipment is acquired will be purchased using available facility Services & Supplies (S&S) funding at an estimated cost of \$22,290 per year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset acquisitions requiring County departments to obtain Board approval to purchase or finance equipment with a unit cost of \$250,000, or greater, prior to submitting their request to the Purchasing Agent. This project requires Board approval. The automated prescription system will assure DHS' compliance with Senate Bill 1339 (Pharmacy: Quality Assurance Program) effective January 1, 2002, which requires pharmacies to develop plans to reduce medication dispensing errors. This project will enhance Humphrey CHC's control over the pharmacy's dispensing procedures, and pharmacy services for patients will be improved by providing an appropriate work space area.

Attachment A is a project planning schedule and budget summary. The project design was completed by the DHS Capital Projects architect and the construction document was completed by Langdon Wilson, an architectural firm, currently under contract. ISD contractors will obtain the required permits. The estimated completion date for the renovation will be six months after Board approval. DHS Capital Projects will coordinate project oversight between ISD and the facility to ensure completion on time and within budget.

Implementation of Strategic Plan Goals

These actions meet the County's Strategic Plan Goal of Service Excellence by promoting best practices for patient care and the Goal of Fiscal Responsibility by investing in the public infrastructure.

Consistency with DHS System Redesign

These actions meet DHS' strategic goals by improving health care provided by DHS and enhancing the health of the residents of Los Angeles County.

ENVIRONMENTAL DOCUMENTATION:

This project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State Guidelines section 15301(a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987. Under this categorical exemption, interior and exterior alterations of a building involving such things as interior partitions, exterior parapets, placement of walls, veneer facings and installation of false or drop ceilings, plumbing and electrical conveyances and heating and refrigeration systems are exempt.

CONTRACTING PROCESS:

Construction work will be completed through the ISD JOC Program which was established for the renovation of County facilities. The acquisition of equipment associated with this project falls under the statutory authority of the ISD Purchasing Agent and is subject to review and approval by the Chief Administrative Office.

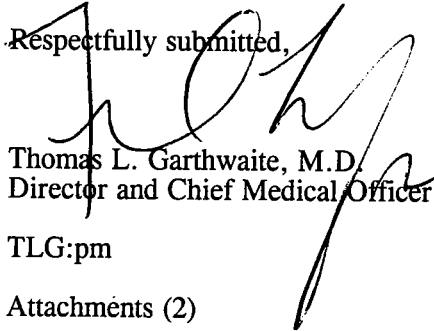
The equipment is a commodity purchase and will be accomplished by the Purchasing Agent in accordance with the policies and procedures established by ISD.

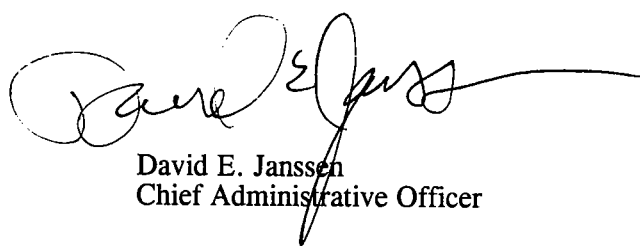
IMPACT ON CURRENT SERVICES (OR PROJECTS):

The pharmacy will temporarily relocate to another location within the facility and continue operating during construction.

Upon approval by the Board of Supervisors, the Executive Officer, Board of Supervisors is requested to return adopted copies of this letter to the Department of Health Services and Chief Administrative Office, Capital Projects Division.

Respectfully submitted,


Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer


David E. Janssen
Chief Administrative Officer

TLG:pm

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Internal Services Department

**ESTABLISH CAPITAL PROJECT, APPROVE APPROPRIATION ADJUSTMENT
AND AUTHORIZE PURCHASE OF MEDICATION DISPENSING EQUIPMENT FOR
HUBERT H. HUMPHREY COMPREHENSIVE HEALTH CENTER PHARMACY
UPGRADE PROJECT (C.P. NO. 86627)
(2ND District) (3 Votes)**

I. PROPOSED PLANNING SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date	Date Completed
Preparation of Drawing & Specifications	12/06/04		
Plan Check	01/17/05		
Board Approval	02/01/05		
Pricing & Issue of Job Order Contract	03/16/05		
Construction	06/21/05		
Occupancy	06/28/05		

II. PROJECT BUDGET SUMMARY

Budget Category	Current Approved Budget	Impact of this Action	Revised Project Budget
Construction	312,863		312,863
Temporary Pharmacy	20,000		20,000
Plans and Specifications	-		-
Consultant Services	-		-
Permits and Fees	2,428		2,428
County Services	90,707		90,707
			-
TOTAL	425,998	-	425,998

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S.
No.

DEPARTMENT OF Health Services

January 5, ~~xx~~ 2005
19**AUDITOR-CONTROLLER.**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

3-VOTES


Please see attached for details.

Justification:

This adjustment is necessary to allow MLK/D Medical Center to transfer \$110,000 from its Operating Budget under Salaries and Employee Benefits to the Capital Projects Budget in order to supplement additional costs for room renovation to be involved at the Humbert H. Humphrey Comprehensive Health Center Pharmacy Upgrade Project CP#86627.

EM:fl
01/05/05

CHIEF ADMINISTRATIVE OFFICER'S REPORT


 Errain Munoz, Chief
 DHS-Controller's Division

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

January 18, 2005

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

AUDITOR-CONTROLLER BY

No.

240

JAN. 14 2005

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

3 VOTES

SOURCES:

Southwest Area (MLK/D Medical Center)
MN5-HK-60030-1000
Salaries and Employee Benefits \$ 110,000

General Fund Subsidy (Southwest Area)
A01-AC-21228-6100
Operating Transfer Out 110,000

Total \$ 220,000

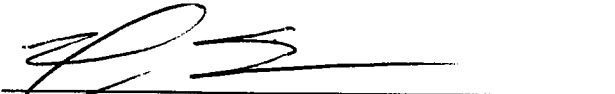
USES:

Southwest Area (MLK/D Medical Center)
MN5-HK-60030-9912
Operating Subsidy \$ 110,000

Hubert H. Humphrey Comprehensive Health Center
HHH Pharmacy Upgrade
Fixed Assets-Building & Improvements
A01-CP-86627-6014 110,000

Total \$ 220,000

Noted & Approved:



Efrain Munoz, Chief
DHS-Controller's Division

BA # 240

JAN. 14, 2005